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# SPECIAL REPORT

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## The Politics and Process of Pay Raises for City Council and Mayor

Presently before the City Council is an order to increase the salary of each City Councillor from \$45,000 to \$59,500, a jump of 32.2% and the salary of the Mayor from \$100,000 to \$120,000, an increase of 20.0%. Approval of this order would make the Mayor and City Council among the highest paid in a sample of 13 comparable cities. The City Council has signaled that it may act on this order at its meeting on August 31st. Any approved salary increases would not become effective until January, 1995.

- The City Council should defer acting on this order until the Compensation Advisory Board has made its recommendations on the salaries of elected officials. The Mayor should request the Board to issue a report within a month. Following the Board's report, the City Council should hold a public hearing before it votes on the salary order.
- The magnitude of the increases being proposed is not justified nor is it supported by the Bureau's survey. The average 1994 salary for city council members in the survey is \$38,954. Excluding four cities with part-time councillors raises the average salary to \$45,515. At \$120,000, the Mayor of Boston would be one of the highest paid mayors in the country. In comparison, the Governor of Massachusetts receives \$75,000.
- Salary increases were last approved in 1987, raising the City Councillors' salaries to \$45,000. This placed Boston second out of 12 cities sampled in 1987 and raised the Councillors' salary \$15,500 over the 12 city average.

### History of Council Salaries

City Council salaries have changed five times since 1952, increasing anywhere from 38.5% to 66.7% in a given fiscal year (Figure 1). These changes generally have occurred after five to seven years of no adjustment in salary and are usually not based on any standard indicator. One exception occurred in 1981, when the Councillors' salaries were set at one-half that of the Mayor's.

In 1987, the salaries of the members of the City Council rose by 38.5%, resulting in one of the highest paid city councils among 12 comparable cities surveyed throughout the United States that year. The increase to \$45,000 put Boston in second place among 12 major cities surveyed. The 12 city average in 1987 was \$29,497 for members, \$15,503 lower than Boston Council members received. Prior to this increase of 38.5%, Boston paid the fifth highest council salary among the 12 cities.

### 1994 Salary Survey

The Bureau recently completed a survey of the 1994 salaries of the city councillors in 13 comparable strong mayor/weak council cities. The survey reveals that the average salary for city council members in the 13 cities, excluding Boston, is \$38,954 or \$6,046 below what Boston City Councillors currently receive. This survey ranks Boston as having the fourth highest paid city council, following Seattle, Minnesota and Newark (Figure 2). Eliminating from this sample the four cities whose councillors serve on a part-time basis elevates the average salary to \$45,515, slightly more than currently received by the Boston City Councillors.

### CITY COUNCIL SALARY HISTORY

JAN.	SALARY	INCREASE	%	YRS. SINCE CHANGE
1952	\$5,000	~	~	~
1965	7,500	\$2,500	50.0%	13
1969	12,500	5,000	66.7%	4
1976	20,000	7,500	60.0%	7
1981	32,500	12,500	62.5%	5
1987	45,000	12,500	38.5%	6
1995 **	59,500	14,500	32.2%	8

\*\* Proposed

Figure 1

However, Boston remains the fourth highest paid city council among the 13 comparable cities.

Three cities, Philadelphia, Detroit and New York, were also reviewed in our survey, but not included in our analysis because they are not comparable with respect to their size. As a point of reference, these cities pay their council members \$65,000, \$60,000 and \$55,000 respectively.

#### CITY COUNCIL SALARY COMPARISON

CITY	1990 POPULATION	PRESIDENT	MEMBERS	TOTAL MEMBERS	PART OR FULL-TIME	SALARY COST
1. Seattle	516,259	\$68,779	\$68,779	9	Full-time	\$619,011
2. Minneapolis	368,383	53,000	53,000	13	Full-time	689,000
3. Newark	275,221	52,000	48,000	9	Full-time	436,000
BOSTON	574,283	45,000	45,000	13	Full-time	585,000
4. Milwaukee	628,088	48,500	44,000	17	Full-time	752,500
5. New Orleans	496,938	42,500	42,500	7	Full-time	297,500
6. Pittsburgh	369,879	42,372	42,372	9	Full-time	381,348
7. Buffalo	328,123	52,920	41,895	13	Full-time	555,660
8. Cleveland	505,616	52,008	40,092	21	Full-time	853,848
9. Denver	467,610	41,024	36,024	13	Part-time	473,312
10. Baltimore	736,014	53,000	29,000	19	Full-time	575,000
11. San Francisco	723,959	23,928	23,928	11	Part-time	263,208
12. Atlanta	394,017	25,000	22,000	19	Part-time	421,000
13 CITY AVERAGE	504,005	\$43,834	\$38,954			\$519,006
AVG.FULL-TIME		\$51,675	\$45,515			

Figure 2

#### **Cost to Taxpayers**

Increasing each Boston City Council member's salary to \$59,500 will cost the taxpayers an additional \$188,500 per year. The total salaries of the 13 Councillors would increase from the current budget of \$585,000 to \$773,500, if the proposed change is adopted. In terms of total salary cost of council members, Boston ranks as the sixth most expensive among the 13 cities surveyed.

In addition to the salary costs of council members, most city legislative bodies employ personal and central staff and members and staff receive employee benefits. In Boston, each Council member receives a personal staff allocation of \$100,000 and the President receives \$130,000, for a total personal staff cost of \$1.3 million. The Council members personal staff totaled 49 as of August 2, 1994. Additionally, the Council employs a central staff of 10, which in fiscal 1995 is budgeted at \$346,350. The total City Council budget for salary and non-salary items is \$2.6 million in fiscal 1995.

#### **Mayor's Salary**

Included in the salary ordinance before the City Council is a proposal to increase the Mayor's salary from \$100,000 to \$120,000 or 20.0%. The Mayor's salary also has not increased since 1987. However, the salary of the Mayor has changed less frequently than the City Councillors' salary. Since 1920, the Mayor's salary has increased five times as demonstrated in Figure 3. At \$120,000, the Mayor of Boston would be one of the highest paid mayors in the country. For example, the Mayor of New York City receives \$130,000 and the Mayor of Philadelphia is paid \$110,000.

## *Other Salaries*

The politics of increasing salaries of elected officials usually results in a salary that is not commensurate with the responsibilities of the office. To put the salaries proposed for the Mayor and City Councillors in perspective, it is interesting to review the current salaries of other Massachusetts officials: Governor~\$75,000; Lieutenant Governor~\$60,000; Attorney General~\$62,500; Senate President and House Speaker~\$65,000; and Senators and Representatives~\$30,000 base salary. Depending on committee assignments, a Senator or Representative could increase his/her base pay of \$30,000 to \$55,000 in a given year. The proposed increase for City Councillors would position their salary at a higher level than most Senators and Representatives and only \$500 less than the Lieutenant Governor. The Superintendent of Schools, an appointed position, receives a salary of \$130,000. In most cities, the superintendent of schools receives a higher salary than the Mayor.

## MAYOR SALARY HISTORY

JAN.	SALARY	INCREASE	%	YRS. SINCE CHANGE
1920	\$10,000	~	~	~
1949	20,000	\$10,000	100%	29
1968	40,000	20,000	100%	19
1989	65,000	25,000	62.5%	13
1987	100,000	35,000	53.8%	6
1995 **	120,000	20,000	20.0%	8

\*\* Proposed

Figure 3

## *Compensation Advisory Board*

In 1986, based on a report and recommendation of the Research Bureau, the City established the Boston Compensation Advisory Board. The Board's role is to provide independent judgement through a periodic review of salaries of elected officials and department heads and to help depoliticize the salary issue. The Board is made up of five members appointed by the Mayor, two of whom must be experts in the compensation field. The Board is required to meet annually and in each even numbered year to study the adequacy of salaries and report its recommendations to the Mayor and City Council. The Board's recommendations are advisory and the Mayor and City Council may approve different compensation levels from the Board's recommendations. The Board was inactive during the Flynn Administration but has been reconstituted by Mayor Menino and on April 21, 1994, submitted a report on department head salary ranges to the Mayor. In that report, the Board deferred comment on salary levels of elected officials and cabinet officers until later this year. The Mayor has not acted on the April 21st recommendations.

## *Recommendations*

1. The City Council should not act on increasing its salary or that of the Mayor until the Compensation Advisory Board has issued its recommendations on elected officials' compensation. The Mayor should request the Board to finish its job and present its report within a month. The Board was established to insure a process of periodic review and change in salaries when warranted. That process should be followed now and in subsequent years. Large salary increases after several years of no change are inconsistent with sound personnel management practices. After the Board issues its report, the Council should hold a public hearing on this matter before taking any action. The Council may find it prudent to delay a decision on their salaries until the few outstanding city and school collective bargaining agreements are finalized.
  
2. The Bureau does not support a 32.2% increase in the City Councillors' salary or a 20.0% increase in the Mayor's salary. Such increases are incompatible with the process of periodic review and change endorsed by the Bureau and implemented through the Compensation Advisory Board. The Bureau's city council salary survey and the salaries of mayors in other large cities do not support such a jump in compensation. Both the Mayor and seven of the City Councillors have been in office for only seven full months and cannot argue that their purchasing power has eroded over time.
  
3. A smaller salary increase may be warranted based on the expectation that the Compensation Advisory Board will execute its responsibilities annually. What increase, if any is warranted, should be suggested first by the Board within a month. The Research Bureau will oppose any increase acted on by the Council before the Board issues its report.

